

## About the North Carolina Office of the State Controller

### Statutory Responsibilities

The statutory responsibilities of the OSC and the State Controller are defined in a series of articles, which include:

**General Statute 143B-426-40G and 143B-426.39(5)** State Controller has the exclusive authority for issuing of all warrants, prescribing the manner in which all disbursements are made, authorizing and/or rescinding the use of disbursing accounts by an agency, and requiring the form and regularity of reporting for these activities.

**General Statute 143C-1-3** State Controller shall account for State resources through the use of fund types listed within this subsection.

**General Statute 143C-4-2** State Controller has the responsibility to reserve to the Savings Reserve account one fourth of any unreserved fund balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year.

**General Statute 143C-4-3** State Controller shall reserve to the Repairs and Renovations Reserve Account one fourth of any unreserved fund balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year.

**General Statute 143C-6-3** State Controller has the responsibility to check for and control agency compliance with allotments approved by the Director of the budget.

**General Statute 143C-9-3 (b)** State Controller shall transfer all funds in the Health Trust Account to the Health Wellness Trust Fund created in Article 6C of Chapter 147 of the General Statutes.

**General Statute 143C-9-3 (c)** State Controller shall transfer all funds in the Tobacco Trust Account to the Tobacco Trust Fund created in Article 75 of Chapter 143 of the General Statutes.

**General Statute 143B-426.39(7)** State Controller has the responsibility for keeping a record of the appropriations, allotments, expenditures, and revenues of each State department, institution, board, commission, officer, or other agency in any manner handling State funds.

**General Statute 143B-426.39(12)** State Controller has the responsibility for preparing an annual Comprehensive Annual Financial Report on the generally accepted accounting principles basis, by combining agency financial statements

whose form and procedures for compilation is additionally prescribed by the Controller.

**General Statute 143B-426.39** State Controller powers and duties are summarized in this article as follows:

- Prescribe, develop, operate, and maintain, in accordance with generally accepted principles of governmental accounting, a uniform State accounting system for all State agencies. The State Controller may elect to review a State agency's compliance with prescribed standards.
- Prescribe and supervise the installation of any changes in the State accounting system as necessary to secure and maintain internal control and facilitate the recording of accounting data for the purpose of preparing reliable and meaningful statements and reports.
- Maintain complete, accurate, and current financial records and balances for all funds and accounts in a manner consistent with the uniform State accounting system.
- Prescribe the uniform classification of accounts to be used by all State agencies.
- Prescribe that, unless exempted by the State Controller, newly created or acquired component units of the State are required to have the same fiscal year as the State.
- Prescribe the manner in which disbursements by State agencies shall be made.
- Operate and maintain a central payroll system and where appropriate authorize the operation of and requirements for agency payroll systems.
- Maintain State agency records of all appropriations, allotments, expenditures, and revenues.
- Perform reconciliation with the balances and accounts kept by the State Treasurer.
- Develop and implement the State cash management policy in accordance with G.S. 147 86.11.
- Develop and implement the statewide accounts receivable program in accordance with Article 6B of Chapter 147 of the General Statutes.
- Prepare monthly summary reports that show appropriations or funding sources and the results of financial activity by State agency.
- Prepare quarterly a report on the financial condition and results of operations for the State entity for the period.
- Prepare on or before October 31 of each year, a Comprehensive Annual Financial Report in accordance with generally accepted accounting principles of the preceding fiscal year, in accordance with G.S. 143B-426.40H. The report shall include State agencies and component units of the State, as defined by generally accepted accounting principles.

- Perform additional functions and duties assigned to the Office within the scope and context of the State Budget Act.

**General Statute 143B-426.40H** Every fiscal year, all State agencies and component units of the State, as defined by generally accepted accounting principles, shall prepare annual financial information on all funds administered by them no later than 60 days after the end of the State's fiscal year then ended in accordance with generally accepted accounting principles as described in authoritative pronouncements and interpreted or prescribed by the State Controller, and in the form and time frame required by the State Controller. The State Controller shall publish guidelines specifying the procedures to implement the necessary records, procedures, and accounting systems to reflect these statements on the proper basis of accounting.

Accordingly, the State Controller shall combine the financial information for the various agencies into a Comprehensive Annual Financial Report for the State of North Carolina in accordance with generally accepted accounting principles. These statements, along with the opinion of the State Auditor, shall be published as the official financial statements of the State and shall be distributed to the Governor, the Office of State Budget and Management, members of the General Assembly, heads of departments, agencies, and institutions of the State, and other interested parties. The State Controller shall notify the Director of the Budget of any State agencies and component units of the State, as defined by generally accepted accounting principles, that have not complied fully with the requirements of this section within the specified time, and the Director of the Budget shall employ whatever means necessary, including the withholding of allotments, to ensure immediate corrective actions.

**General Statute 143D-6-8** State Controller shall establish comprehensive standards, policies and procedures to ensure a strong and effective system of internal control within State government. These policies shall be made readily available to all State agencies and the State Controller shall make appropriate education efforts to inform relevant State agency staffs on the standards, policies, procedures, and internal control best practices. The State Controller shall develop policies and procedures to direct agencies in their annual certification of internal controls.

**General Statute 147-86.10 and 147-86.11** State Controller has the responsibility for developing and implementing a uniform statewide cash management plan for all State agencies and for monitoring the results of those plans.

**General Statute 147-86.20 through 147-86.27** State Controller has the responsibility for establishing a statewide accounts receivable program including the setting of policies and procedures, debtor information requirements, debt setoff collection policies, and reporting requirements. The State Controller shall negotiate a contract with a third party to perform an audit and collection process

of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors.

**General Statute 163-278.99** State Controller has the responsibility for the disbursement of the North Carolina Public Campaign Financing Fund.